Engineered Concepts'

Quantum Leap Natural Gas Dehydration

Technology (QLT)

11th Annual Natural Gas STAR Implementation Workshop

Forrest Heath, P.E. Engineered Concepts, LLC

Engineered Concepts' Quantum Leap Natural Gas Dehydration Technology (QLT)

 converts virtually all hydrocarbon emissions to revenue

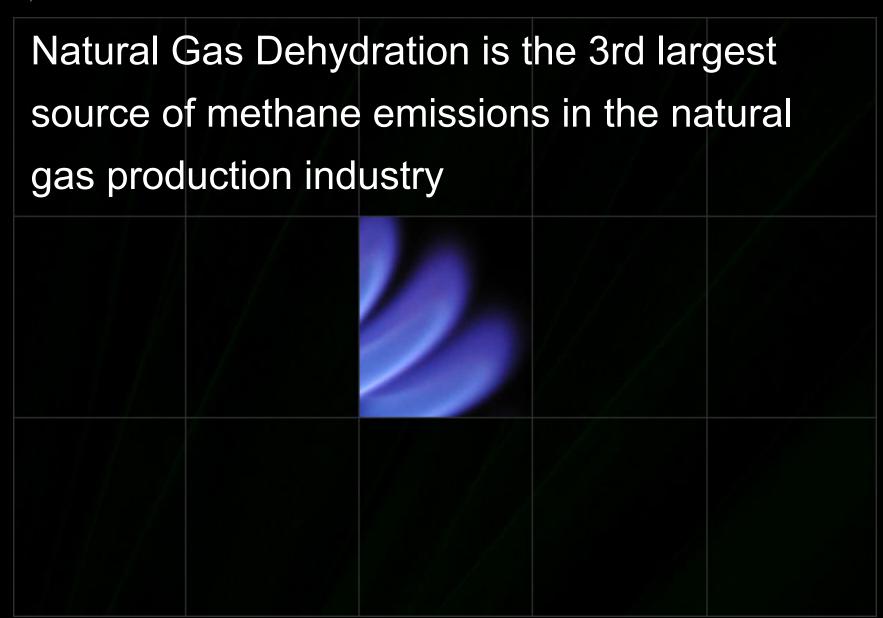
 reduces carbon dioxide emissions

reduces operating cost

reduces operating maintenance

- improves safety
- eliminates odors



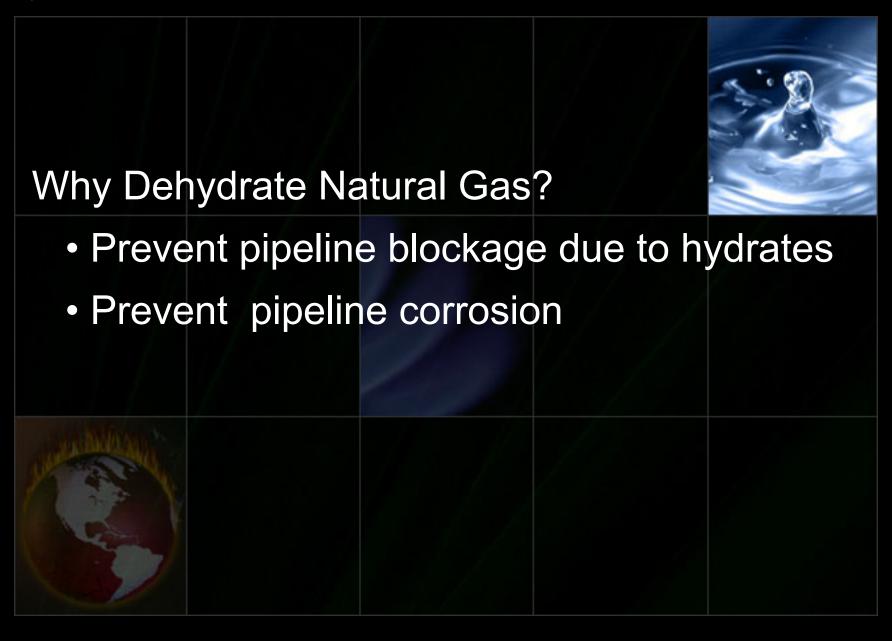


Methane as a Greenhouse Gas is

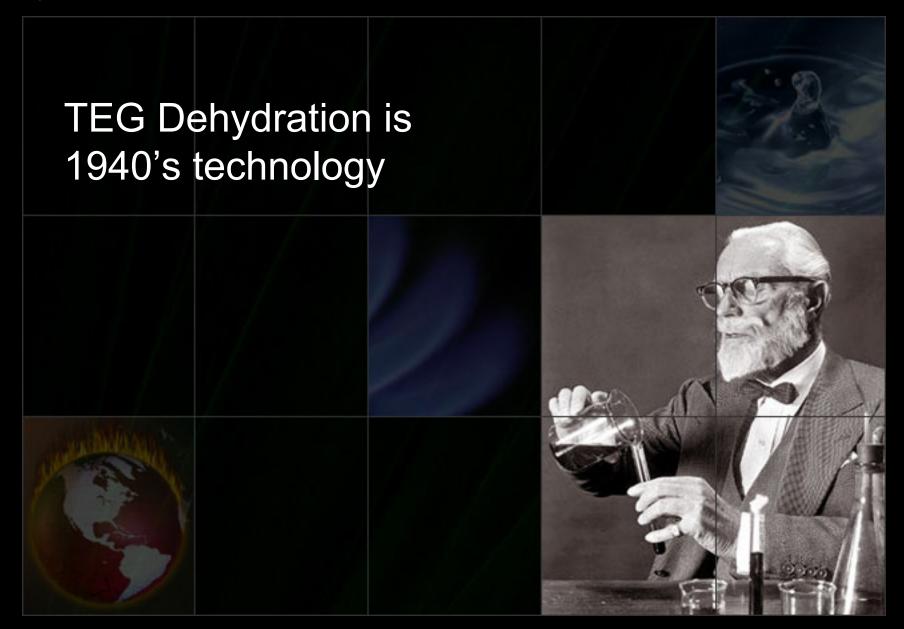
21 times more potent than Carbon Dioxide

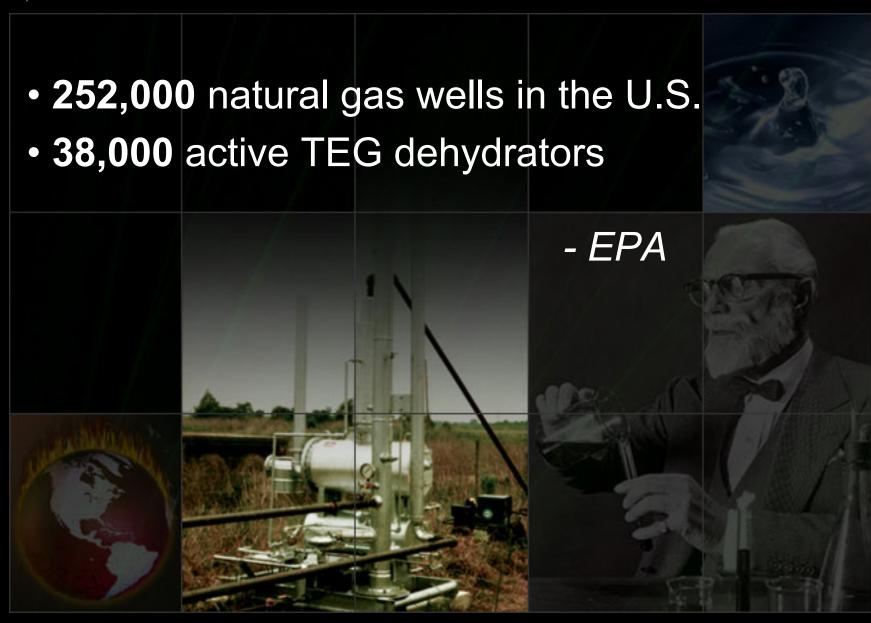
 Responsible for 10% of the total global warming effect attributed to greenhouse gases



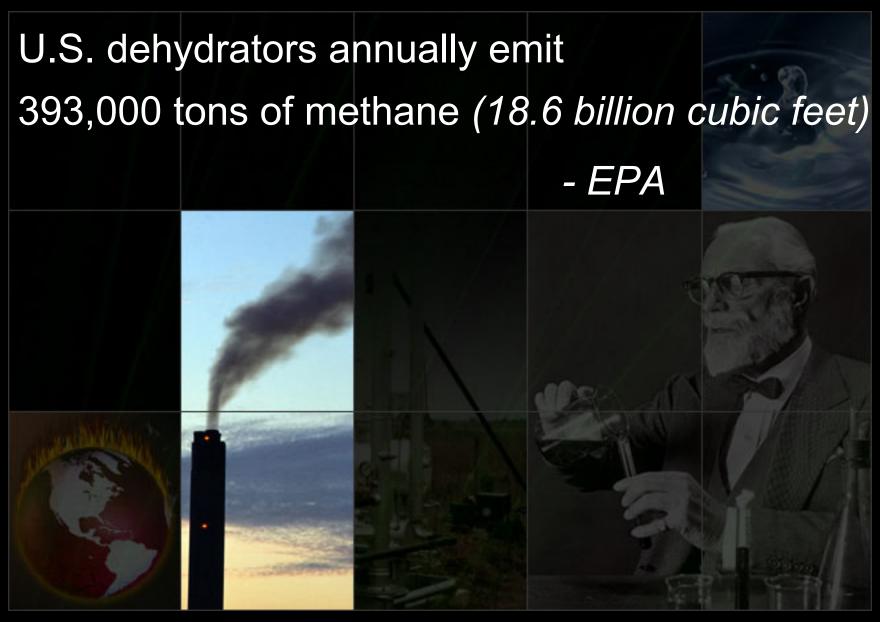


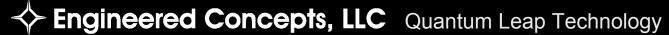
Engineered Concepts, LLC Quantum Leap Technology

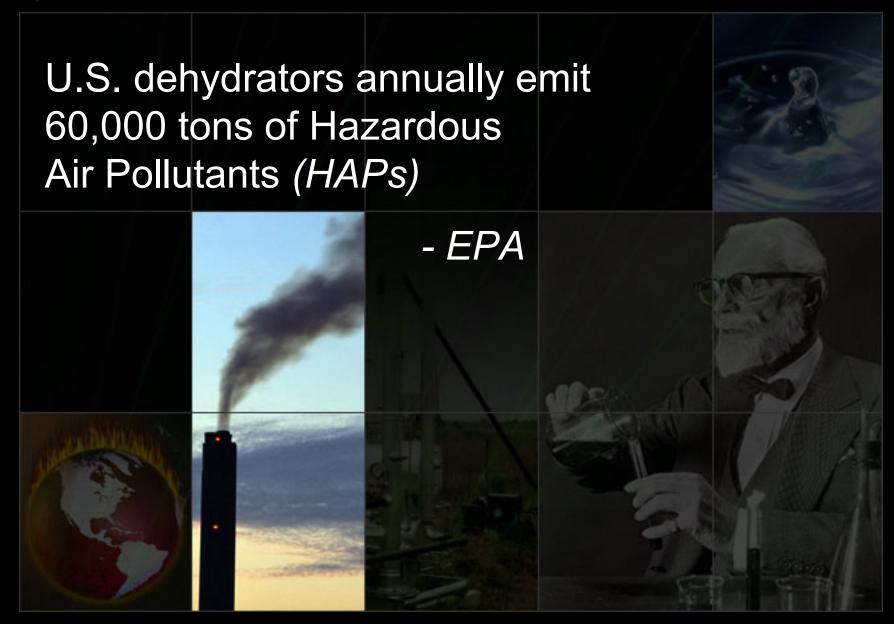


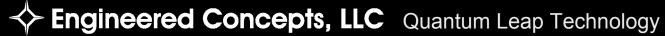


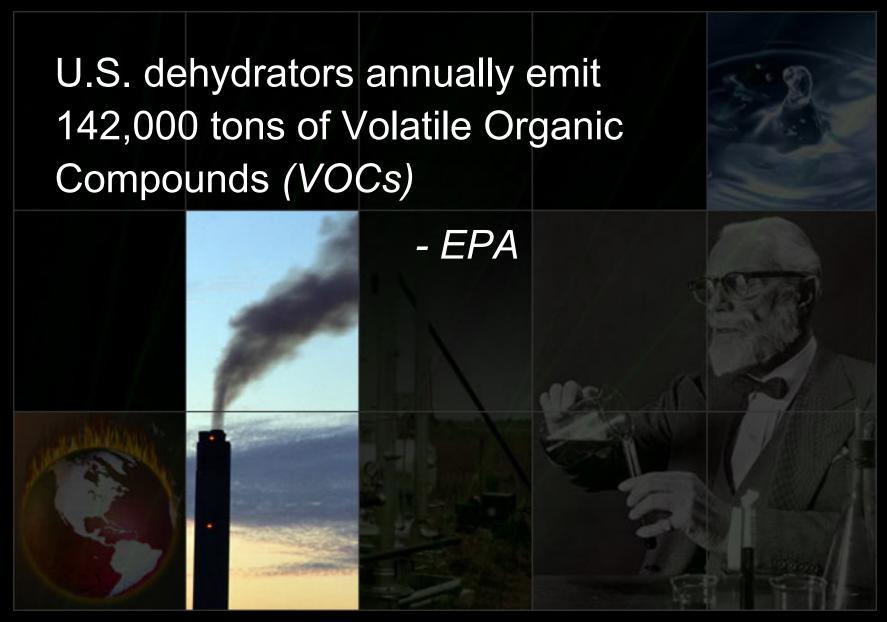








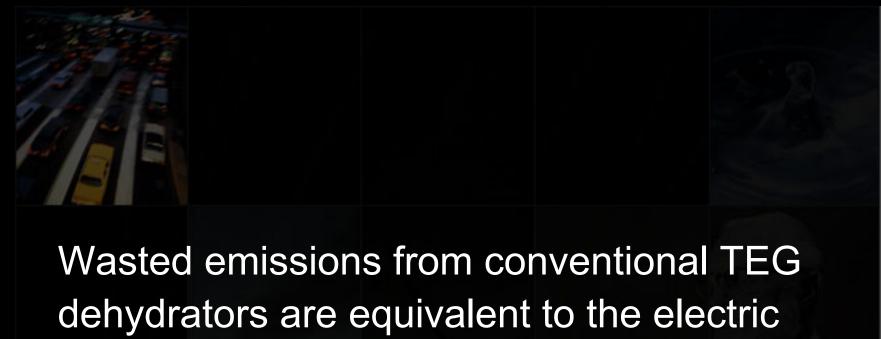






Conventional TEG dehydrators annually waste the equivalent of:

- 300,000,000 gallons of gasoline
- Enough to fuel 690,000 autos for 1 year

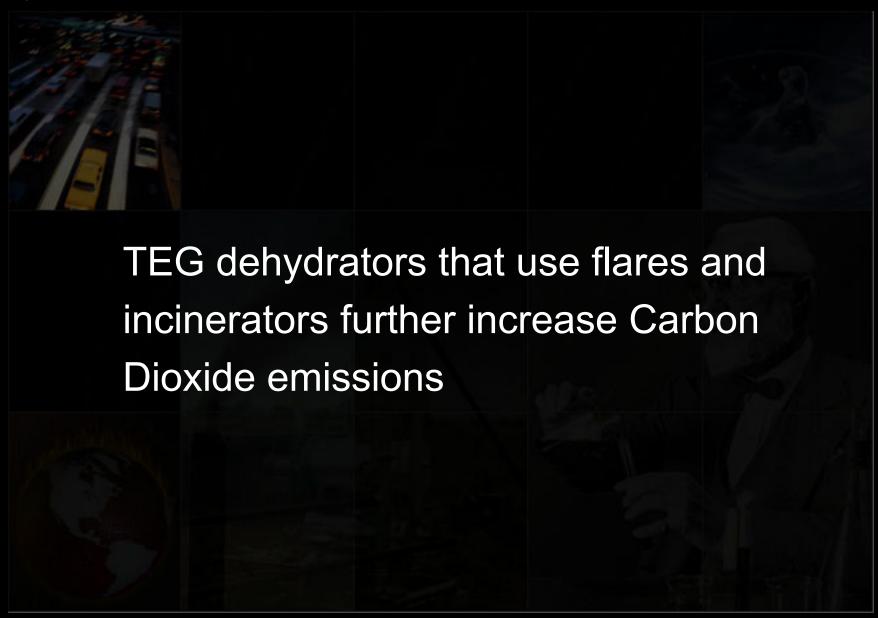


dehydrators are equivalent to the electric power consumed by more than 1,000,000 homes per year



The global warming effect of 393,000 tons of methane emitted by TEG dehydrators equals

- 23 million tons of Carbon Dioxide
- The emissions of 5.6 million automobiles





What is the QLT Process?

First TEG dehydration process specifically designed to

- capture and convert virtually
 all hydrocarbon emissions to revenue
 - reduce total operating expenses



What is the QLT Process?

First TEG dehydration process specifically designed to

- reduce maintenance
- improve operating safety
 - be used in any climate





QLT is verified by the EPA to eliminate

- more than 99.74%of HAPs
- virtually all VOCs and Methane





The QLT Process

 Field tested for over three years in two pilot plants





The QLT Process

- Verification tested by the Greenhouse Gas Technology Center, Southern Research Institute in cooperation with the EPA
 - Testing completed in 2003
 - Report issued in September 2003

The Environmental Technology Verification Test

QLT designed to dehydrate 28 mmscf of natural gas

per day



The Environmental Technology Verification Test

7 days operational performance monitoring

1 day environmental performance testing







Test results:

- Average NOX emissions 0.0817 lb/h
- Carbon Monoxide emissions 0.0005 lb/h

0.0003 lb/h

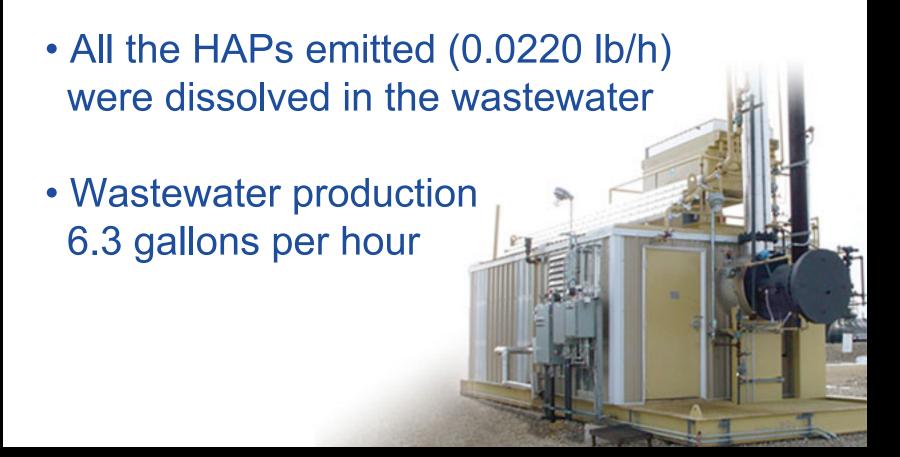
VOC emissions

Carbon Dioxide emissions 111 lb/h

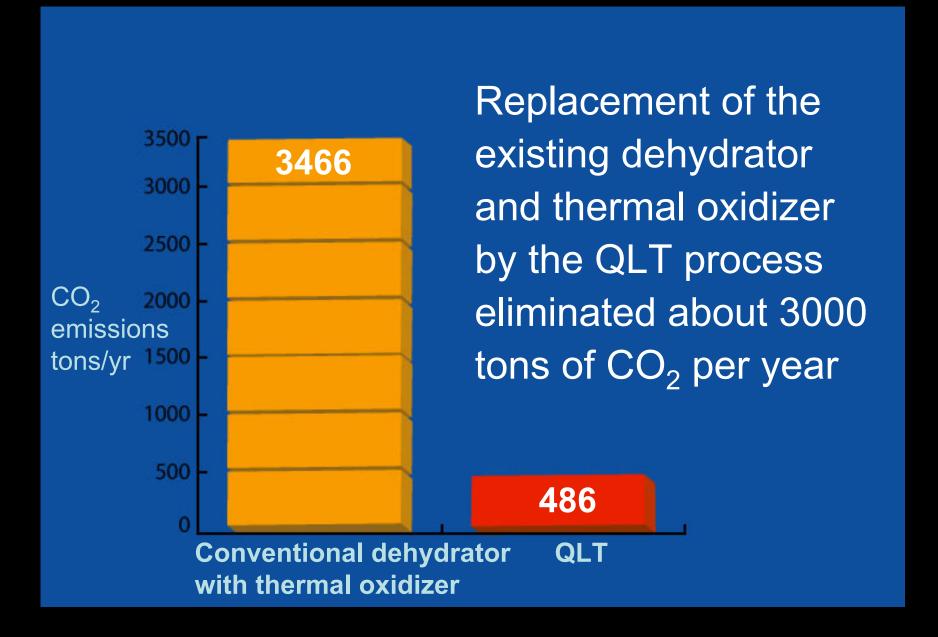
HAPs, VOCs and Methane stack emissions

- too low to be detected

HAP destruction efficiency verified greater than 99.74%









QLT recovered 2.88 gallons per hour of saleable condensate

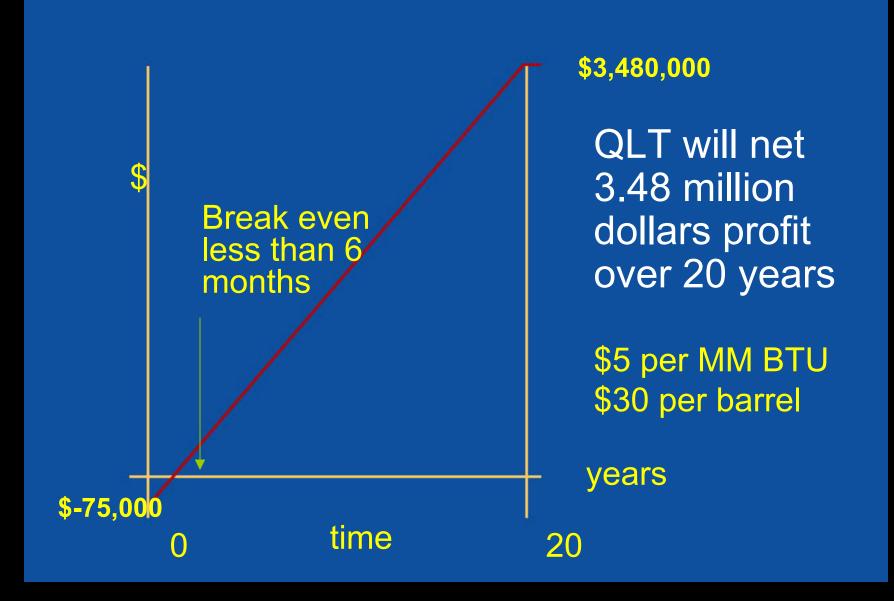
-over 600 barrels per year



QLT returned \$174,000 in operating cost reductions and product sales annually





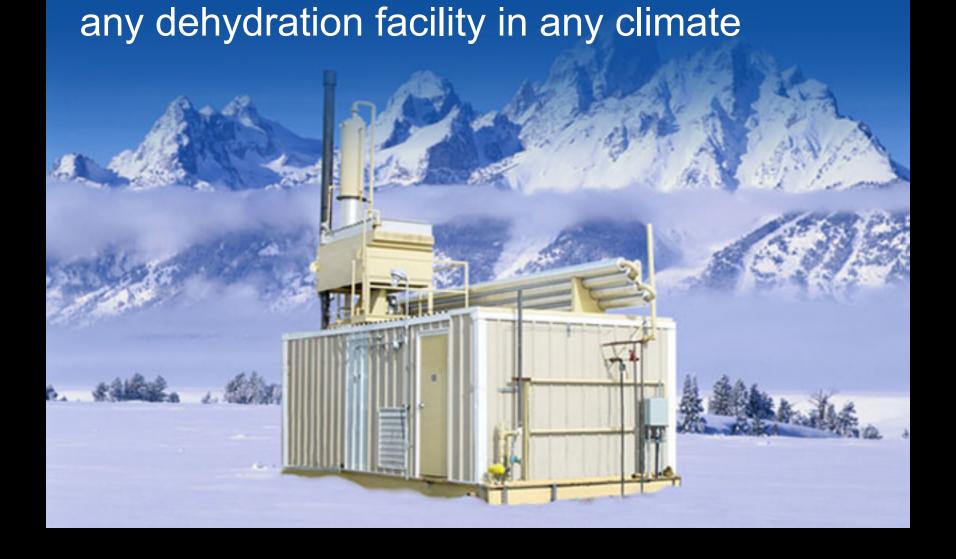






Payback for QLT typically ranges between 6 months and 2 years

QLT is easy to operate and is applicable to



The QLT System is Highly Reliable

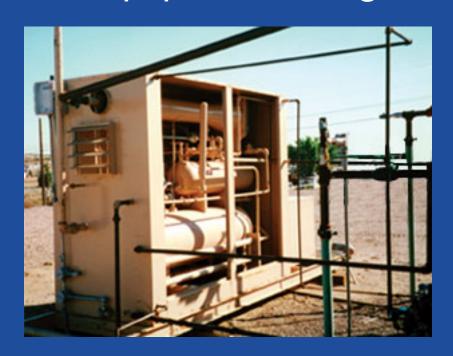
99.5% on-line from April 2003 to August 2004

QLT can be retrofitted to existing dehydration equipment or incorporated into new equipment designs



is scalable to any size

QLT can be retrofitted to existing dehydration equipment or incorporated into new equipment designs



 comparable to current dehydration technology in size, weight and level of complexity





QLT is safer than conventional dehydration equipment

- flammable and poisonous emissions are captured
- risk of fire or explosion is reduced by capturing "free floating" combustible vapors

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QLT can operate at pressures as low as 20 psig

Pipeline companies can re-evaluate operating methods for gathering systems under 100 psig



QLT eliminates water condensation problems in low pressure gathering systems

reduced pipeline capacity

increased horsepower

requirements

\Rightarrow

QLT eliminates water condensation problems in low pressure gathering systems

water slugging problems in equipment

frozen pipelines

 premature pipeline failure due to corrosion



What are the benefits of QLT?

substantial long-term financial rewards

eliminates virtually all pollutants associated with natural gas dehydration

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What are the benefits of QLT?

operating advantages in low pressure gathering systems

 increases revenues, improves safety, and reduces maintenance

As-installed system schematic

